

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7673**

**BILL NUMBER:** HB 1692

**DATE PREPARED:** Jan 8, 2001

**BILL AMENDED:**

**SUBJECT:** Postsecondary proprietary education grants.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that a state higher education award received by a student who attends a postsecondary proprietary education institution is not limited to the maximum amount that would be received by the student if the student were enrolled in Ivy Tech State College.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** In 1999-2000, 7,327 students attending 23 campuses of the eight postsecondary proprietary education institutions filed the Free Application for Federal Student Aid. The Student Assistance Commission (SASCI) has granted about 1,200 students of the 3,611 eligible students a Higher Education Award. Many of the 7,327 were ineligible because the tuition level subsidized is at the Ivy Tech State College rate of about \$1,986. The estimated average award is about \$1,405 so the cost of the current program is about \$1.7 M.

The bill would increase the average amount of the award and the number of people would be eligible for the award. SASCI estimates that 5,596 of the 7,327 students completing the financial application would be eligible and the average award would be \$5,579. Historically only 65% of the students offered awards use the award but the utilization for these students is about 33%. The impact would then be about \$18.6M at a 65% utilization level and \$8.6 M at the current 33% utilization level.

The bill goes not provide additional funding. If additional funding is not provided then the awards of all recipients of the award would be proportionally reduced.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Student Assistance Commission

**Local Agencies Affected:**

**Information Sources:** Nick Vesper, Student Assistance Commission , 317-233-5094